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**Testimony of
The Permanent Commission on the Status of Women
Submitted to the
Labor and Public Employees Committee
March 3, 2015**

Re: Governor's Bill No. 6850, An Act Concerning Pay Equity and Fairness

Senators Gomes and Hwang, Representatives Tercyak and Rutigliano, and distinguished members of the Labor and Public Employees Committee: My name is Carolyn Treiss, and I am the Executive Director of the Permanent Commission on the Status of Women (PCSW). Thank you for this opportunity to provide testimony today in favor of the Governor's Bill No. 6850, An Act Concerning Pay Equity and Fairness, because the PCSW believes pay secrecy is fatal to wage equity.

This bill would prohibit the employer practice of not permitting employees to disclose, discuss or inquire about their wages or the wages of others. It further prohibits employers from requiring employees to sign waivers denying them this right, and prohibits retaliation or discrimination against any employee who discusses her wages or the wages of other employees. The bill does not require that employers disclose wages paid to any employee.

Late last year, the PCSW teamed up with the Institute for Women's Policy Research (IWPR) on a comprehensive study called *The Status of Women in Connecticut's Workforce*. The study revealed that women in our state have made great strides in many areas, but pay equity is not one of them. On average, women in Connecticut make 78 cents for every male dollar, slightly worse than the national average of 78.6%.¹ We support any effort that takes steps to lessen – or eventually close – the gender-based wage gap.

One reason for this gap is pay secrecy: it's very hard to know you're not being paid as much as a colleague, if you are not permitted to discuss it or you fear that if you do, you will be retaliated against or punished. After all, it took Lilly Ledbetter, a supervisor at Goodyear, the better part of a decade to discover she was being paid less than her male colleagues; discussion of wages was prohibited at Goodyear and she only learned that her pay was less than her male counterparts through an anonymous note. Her story is just one of many, and so on behalf of women throughout our state, we support this important first step toward greater transparency.

In public service, we can be proud of the fact that there is much transparency in our own wages: we work for the taxpayers, and so the taxpayers can find out, with very little effort, how much we make. One result of this is

that among civil servants, women's wages tend to come much closer to men's wages than they do in the private sector.

But, according to a survey conducted by IWPR and the Rockefeller Foundation, the situation is very different for private sector employees, about half of whom (51 percent of women and 47 percent of men) reported that discussing salaries is contractually prohibited or actively discouraged, and that doing so can lead to either explicit or covert punishment or retribution.ⁱⁱ

Bill 6850 seeks to level this playing field. According to the IWPR/Rockefeller study, private sector employers are more likely to try to control access to salary information. We know that women are often paid less than their male colleagues, even given the same education and experience. And let's remember the wage gap exists across career fields and pay grades. Contrary to popular belief, women are not to blame for the wage gap by choosing to enter low-paying fields; women's earnings are lower than men's across occupational categories, and in fact, some of the largest gaps occur in the highest-paying fields. Our study with IWPR revealed, for example, that in Connecticut, female financial managers are paid, on average, just 56.5% of their male colleagues' earnings.ⁱⁱⁱ But when employees are not free to discuss such shocking disparities, there is very little incentive on the part of the company to correct their practices.

One might ask why this bill is needed, since the National Labor Relations Act (NLRA) protects private-sector employees from retaliation if they discuss their wages with others in a mutual effort to improve their situation. Unfortunately, the NLRA's protections are limited and the Act has not prevented employers from requiring non-disclosure contracts or other punitive policies. The NLRA does not apply to supervisors, a term which has been broadly interpreted by the courts, as has the NLRA's "business justification" exception to its protections.^{iv}

There are now ten states that have enacted "pay secrecy" laws: Michigan and California in the 1980s, and between 2000 and 2014, Colorado, Illinois, Louisiana, Maine, Minnesota, New Jersey, Vermont and New Hampshire.^v

It is government's role to protect citizens' rights, and surely pay equity is one of those rights too often overlooked and abused – whether willingly or through ingrained corporate practice. It is our strong belief that if companies are committed to paying employees fairly – based on their experience, education and work ethic, and *not* on gender – they should have no objection to complying with this call for wage transparency.

Thank you for the opportunity to provide comments today and I welcome any questions you may have.

ⁱ The Status of Women in Connecticut's Workforce, Permanent Commission on the Status of Women/Institute for Women's Policy Research, November 2014.

ⁱⁱ Pay Secrecy and Wage Discrimination, Institute for Women's Policy Research/Rockefeller Foundation, June 2011.

ⁱⁱⁱ PCSW/IWPR, November 2014.

^{iv} Combatting Punitive Pay Secrecy Policies, National Women's Law Center, 2012.

^v United States Department of Labor, Women's Bureau. Fact Sheet: Pay Secrecy. August 2014.